

OIL RIGHTS IN MEXICO

Exchange of notes at Washington June 2, 1914
Entered into force June 2, 1914

1914 For. Rel. 707

The Secretary of State to the British Ambassador

DEPARTMENT OF STATE,
Washington, June 2, 1914

EXCELLENCY: As you are aware from the conversations which we have had upon the subject, many nationals of the United States, Great Britain and the Netherlands, interested in the oil properties in the vicinity of Tampico and Tuxpam, Mexico, are seriously concerned over the possible cancellation or confiscation of their rights because of their failure to meet their contractual obligations or to conform to the requirements of the Mexican authorities, which failure has resulted from the military operations and disturbed political situation in that region.

This Government considers that the loss by bona fide owners of interests in oil properties in Mexico as a result solely of conditions over which they have no control, would be most unjust and inequitable, and that the Governments, whose nationals are affected, should take such steps as they are able to prevent this wrong from being done.

As a means to this end I have the honor to propose to your excellency that this Government and the British Government agree that they will withhold all diplomatic support from their respective citizens or subjects, who claim directly or indirectly any right, title or interest in oil properties in Mexico, which they have acquired since April 20, 1914, or may hereafter acquire, directly or indirectly, by reason of the cancellation of contracts, leases or other forms of conveyance or by reason of the confiscation or taking by de facto authorities of properties, in which American citizens or British subjects are interested, on the ground of default in contractual obligations or non-compliance with legal requirements, provided such default or non-compliance was unavoidable because of military operations or political disturbances in Mexico.

It should, however, be distinctly understood that this agreement will not apply to any case, in which the failure of the American or British owner of

an interest in oil properties in Mexico to perform his contractual obligations or to comply with a legal requirement was not the direct result of the political unrest prevailing in Mexico at the time of default, or to any case of bona fide transfer.

If the proposed agreement is acceptable to your Government, a note stating their acceptance will be considered by this Government as putting the agreement into effect.

I have the honor to further inform your excellency that I have addressed a note to the Netherlands Minister in Washington proposing an agreement between the Governments of the United States and the Netherlands in terms identical with the one here proposed.¹

I have [etc.]

W. J. BRYAN

The British Ambassador to the Secretary of State

BRITISH EMBASSY,
Washington, June 2, 1914.

SIR: I have the honour to acknowledge the receipt of your note dated to-day in which you state:

[For text of U.S. note, see above.]

I have the honour to inform you in reply that I am authorised by my Government to accept in their name the agreement as described above, which they will therefore regard as coming into effect from this day's date.

I have [etc.]

CECIL SPRING RICE

¹ For an exchange of notes at Washington June 2, 1914, between the Secretary of State and the Netherlands Minister, see *ante*, vol. 10, p. 69, NETHERLANDS.